Voluntary Retirement Scheme

*162. SHRI R.P. GOENKA:†
SHRI B.J. PANDA:

Will the PRIME MINISTER be pleased to state:

(a) whether a final view has since has taken on introducing Voluntary Retirement Scheme in the Central Government offices;

(b) if so, the details of the proposals formulated; and

(c) if not, the present status of considerations of the proposal alongwith the details of the difficulties envisaged or of resistance, if any, from within the Ministries/Joint Consultative Machinery etc.?

THE MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES OF THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS (SHRI ARUN SHOURIE): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) to (c) Rule 48-A of the Central Civil Services (Pension) Rules, 1972 already provides for Voluntary Retirement Scheme in the Central Government Offices. Under this Rule a Government servant can seek voluntary retirement after he has completed 20 years of qualifying service by giving notice of not less than three months, in writing, to the appointing authority. It further provides that the qualifying service as on the date of intended retirement shall be increased by a period not exceeding five years subject to the condition that the total qualifying service rendered by the Government servant does not in any case exceed 33 years and it does not take him beyond the date of superannuation.

Rule 29 of the Rules also provides that if a Government servant, on being declared surplus to the establishment in which he was serving, opts to retire voluntarily, instead of seeking

---

†The Question was actually asked on the floor of the House by Shri R.P. Goenka.

redeployment, he shall be entitled to have five years added to the qualifying service rendered by him subject to the condition that the qualifying service rendered by such Government servant is not less than 15 years on the date on which he exercises such option and the qualifying length of service after taking into account the said addition is not more than the service he would have rendered had he retired on the date of his superannuation. From inception till 30 June, 2001, 9,240 employees (belonging to Group A, B&C) were accepted in the Surplus Cell out of which 8,771 were redeployed. During this period, 238 persons on rolls of the Surplus Cell retired on superannuation or voluntarily. Further 72 persons were retrenched or resigned during the said period. Thus only 2.7% of the persons on the Surplus Cell retired on superannuation or voluntarily. The response for voluntary retirement was found to be far from encouraging perhaps due to unattractive nature of the existing scheme for surplus employees. In view of this, the Expenditure Reforms Commission set up in February, 2000 has made the following recommendations in Part II of their second Report regarding formulating a revised Voluntary Retirement Scheme for surplus personnel:

(i) Staff declared surplus be transferred to the Surplus Cell to be redesignated as the Division of Retraining and Deployment in Department of Personnel & Training which will pay their salary, retirement benefits etc. However, in such centres, where the number of surplus staff is quite small, the present practice of the parent organizations making these payments may be continued.

(ii) Surplus staff should be made eligible for a liberal Voluntary Retirement Scheme as recommended by the Fifth Central Pay Commission with the exception that commutation entitlements may be as at present and the ex-gratia amount may be paid in monthly instalments covering a five year period. (The Commission has advised against giving option to receive ex-gratia and retirement gratuity in lump sum).

(iii) In all cases where there is separation by way of liberal

Voluntary Retirement Scheme the same order should stipulate the abolition of the resultant vacant post.

(iv) Group 'A' officials opting for Voluntary Retirement Scheme (VRS) should not be required to seek approval for commercial employment after retirement.

(v) Those who do not opt for Voluntary Retirement Scheme and are not redeployed within one year should be discharged from service.

(vi) Redeployment of Group D should be handled by Department of Personnel & Training and not Directorate General of Employment & Training.

Action has been initiated by the Government to evolve a revised Voluntary Retirement Scheme for the surplus personnel, keeping in view the recommendations of the Expenditure Reforms Commission.

श्री आर०पी० गोयनका: सभापति जी, मेरा सवाल बहुत सीधा था कि यह सरकार वॉल्येन्ट्री रिटायरमेंट स्कीम लागू कर रही है या नहीं कर रही है? इसके उत्तर में हमें जो जवाब मिला है उससे बहुत ही क्षुब्ध मन से मैं यह कहना चाहता हूं कि वह जवाब मेरे सिर के ऊपर से निकल गया है...(**व्यवधान**)... मैं जवाब की कमी नहीं बता रहा हूं बल्कि अपनी कमी आपके सामने पेश कर रहा हूं। इस संबंध में मेरे दो सवाल हैं।

सर, वालेंटरी रिटायरमेंट स्कीम आप लोगों ने बैंकों में लागू की थी और वह बहुत सक्सेसफुल हुई थी। स्टेट बैंक आफ इंडिया में यह बहुत सक्सेसफुल हुई। अब सेंट्रल गवर्नमेंट अगर यह नहीं करती है तो स्टाफ वैसा का वैसा रह जाएगा। मेरा दूसरा सवाल है कि पहले आप सीनियर लोगों को तो सरप्लस डिक्लेयर करिए, तब कुछ होगा। आप कमजोर वर्ग वालों को सरप्लस डिक्लेयर करते हैं और फिर उन लोगों को वालेंटरी रिटायरमेंट स्कीम नहीं देते बेचारे क्या करेंगे। पहले आप सीनियर ब्यूरोक्रेट्स को सरप्लस डिक्लेयर कर दीजिए।...(**व्यवधान**)... मैं किसी का नाम नहीं ले रहा हूं। ...(**व्यवधान**)... मैं यह सब नहीं बोल रहा हूं। सर, मेरा दूसरा सवाल है जो मैं अब कर रहा हूं कि अगर सीनियर ब्यूरोक्रेट्स को आप सरप्लस डिक्लेयर कर दें तो आप देखेंगे कि गाड़ी अपने आप खुद-ब-खुद चलती रहेगी।

MR. CHAIRMAN: This is a suggestion; not a question.

SHRI R.P. GOENKA: Okay, Sir.

SHRI ARUN SHOURIE: Sir, the substantive question is, ...*(Interruptions)*...

MR. CHAIRMAN: What is the other part of the question?

श्री आर० पी० गोयनका: मेरा क्वेश्चन है कि सीनियर लोगों को क्या आप सरप्लस डिक्लेयर करेंगे?

SHRI ARUN SHOURIE: Sir, being the son of a senior distinguished civil servant, I am not in agreement with the hon. Member. But, Sir, the hon. Member has put a very important question on the point of VRS for Government employees. You are right, Sir, that in public sector enterprises, this scheme has been there since 1988, and about 3 lakh employees have taken VRS over the years. In the banks, where this scheme has been introduced now, almost 1 lakh employees, i.e., 11 per cent of the staff of the banks, have taken VRS. But, in Government service, VRS as we know it has actually not been there. What has been given in the answer is the formula that is used; and that is that, if a person has put in some years of service, let us say 20 years, and he chooses to retire voluntarily, then, for calculating his gratuity, his pension and other things, instead of 20 years, it is counted as 25 years. That is what is the rule is. If he is declared surplus, then, instead of 15 years, his service is counted as 20 years and so on. That was the only scheme available. Now, the Government is putting together a VRS for Government employees so that this downsizing can proceed, with their consent. Now, Sir, it is not only a question of senior employees. The VRS schemes which have been there till now have been based on, let us say, 35 days' or 45 days' pay per year of completed service. Now, Sir, many persons have been coming to me—because of the disinvestment in certain public sector enterprises—and saying that this kind of a scheme is beneficial only to employees who have put in long years of service, that means, your senior employees. It discriminates against persons who have a number of years of service left. So, in the proposals which are being considered by the Government, now, both these factors, i.e., the years of service that have been completed and the years of service which have been left, are being given weightage for

calculating the VRS benefits. We hope to come to a decision on this scheme at the earliest possible time.

MR. CHAIRMAN: I think, you do not want to put your second supplementary because you have already put it.

श्री आर० पी० गोयनकाः मैंने जो पूछा है उसका जवाब तो दिया नहीं।

श्री सभापतिः जवाब दे दिया वह समझ में नहीं आया।

श्री आर० पी० गोयनकाः सभापति महोदय, मैं यह मानता हूं कि मेरी समझ बहुत कम है। लेकिन इतनी कम नहीं है कि वह जो कुछ बोलते हैं वह भी न समझूं। सर, सीनियर लोगों के बारे में आप जवाब खा गए।

SHRI ARUN SHOURIE: Sir, I would answer specifically on that point, because nothing goes above the head of the hon. Member. Sir, I certainly do not subscribe to general characterisations that senior bureaucrats are superfluous and that they should be done away with or that the junior employees are all good. The individual employee has to be looked at on individual merit. I do not subscribe to the view that the structure of administration is threatened because of the many people who have put in many years of service. Therefore, I am not going to go by a general formula of declaring senior civil servants as superfluous.

SHRI B.J. PANDA: Sir, it is time for all sections of our polity to publicly admit and accept the Government's role in creating employment opportunities. Its role is, though it does not succeed by creating employment directly, but by providing economic growth and focussing on good governance. Much more significant is that employment opportunities can be created. Sir, in this context, the answer provided some stark realities which stare at us. Right from the inception of VRS, less than 10 thousand of the Central Government employees have been identified as surplus; and of that number, less than 3 per cent have actually undergone any form of retirement either voluntary or superannuation. In the light of that the hon. Minister points out that the Expenditure Reforms Commission which was set up in February, 2000, has given its suggestions. Sir, in

the recent past the Government has gone for soft options—I am referring to the Fifth Pay Commission—of the recommendations like the pay hike and not implementing the tougher aspect of the recommendations, which is, down-sizing the Government. With that perspective, I would like to have a clarification from the Minister as to what process is going to be followed identifying surplus employees of the Central Government. That has not been elaborated. I would also like to know what time-frame is the Government going to commit to implementing these recommendations?

SHRI ARUN SHOURIE: Sir, the hon. Member has gone to the heart of the matter that the Government should not be looked upon as an employer or an employment agency. It must create conditions for employment in the country as a whole. Secondly, I also share his concern about the Fifth Pay Commission. You will recall that the Group of Ministers had rejected each one of the three recommendations which the Pay Commission had made about down-sizing, about freezing recruitments and so on. If you want, I can recall for you the name of the head of the Group of Ministers then, but probably that would just again lead to a shouting match. At the moment there is in effect a freeze on recruitment. One of the reasons why out of the ten thousand surplus people, only a few hundred were actually superannuated, was that whenever vacancies arose, the attempt was, to fill them from among those who have been identified as surplus in other departments. Don't go in for fresh recruitment.

Sir, a very stringent procedure has been set up for any fresh recruitment. The Prime Minister, and the Finance Minister, have announced that recruitment shall not exceed one per cent in any department in any year. That figure is being adhered to. Because three per cent of the employees actually retire every year, the expectation is that with the reduction of staff of two per cent per year. Without any difficulty we will reduce the size of the Government staff by ten per cent by the year 2005. That is the figure which the Prime Minister has laid out and that is the figure which is being adhered to. It is being aimed at by the Group of Secretaries headed by the Cabinet Secretary himself.

DR. MANMOHAN SINGH: Mr. Chairman, Sir, as the hon.

Member, Shri Goenka had rightly and precisely said if this Government is serious about right sizing or downsizing the Government, then, the whole thing must begin at the top. I heard the hon. Minister saying that he did not think that there were surplus people in the highest echelons of the Government. I don't share his perception. In fact, I would like to know from the hon. Minister whether the Government has conducted any inquiry, or, will he agree to conduct such an inquiry, if it has not been conducted to find out as to how many officials of the rank of Secretary to the Government of India have even half the day's work? He is the Minister of Planning. Would he kindly tell us how many advisors does the Planning Commission has? Has the Planning Commission become a dumping ground for unwanted people? What is their number?

SHRI ARUN SHOURIE: Mr. Chairman, Sir, both the former distinguished Deputy Chairman are familiar with the practices of the Planning Commission, and how persons are posted there. And to call all advisors as just having been dumped there, is unexpected from the Leader of the Opposition.

The second point is, as far as looking at senior posts is concerned, that is a suggestion for action. In fact, a group of Secretaries is looking into this Department by Department. So is the Expenditure Reforms Commission. They are going Department by Department. They are starting at the top. I did not say that there are no surplus people at the top. I said, I did not subscribe to broad, gross characterisations of senior or junior people like this of their being surplus, of very valuable. This has become a fashion. All the persons who have been in authority, when they were in office, from time to time, did not act on these things...*(Interruptions)*... Yes, it is an answer to the suggestion. But, as far as his suggestion is concerned, I will take it up. I would very much like to ...*(Interruptions)*...

SHRI C. RAMACHANDRAIAH: Mr. Chairman, Sir, my question pertains to the Voluntary Retirement Scheme in financial institutions, especially, after the liberalisation process has commenced. After the announcement of the VRS there has been an exodus of staff from the banks to the private sector because they are

offering very lucrative salaries. So, virtually a situation arose to such an extent that in certain branches of the banks the work was totally disrupted. In view of this situation, what steps would the Government take to avoid this braindrain from the public sector institutions.

SHRI ARUN SHOURIE: Mr. Chairman, Sir, it is very strange, first the Government is told that banks are overstaffed, institutions are overstaffed and it is urged to offer a Voluntary Retirement Scheme. When that is offered and the employees take it...*(Interruptions)*...

SHRI NILOTPAL BASU: Nobody asked for it. You are misleading the House. It was offered unilaterally. ...*(Interruptions)*...

SHRI RAVI SHANKAR PRASAD: You might not have asked for it. But others have asked.

SHRI NILOTPAL BASU: It has registered a negative growth in employment. ...*(Interruptions)*...

SHRI ARUN SHOURIE: Till now, for the last ten minutes the whole tenor was that the Government is overstaffed, institutions are overstaffed. Now, we have been told that it is not overstaffed. We don't want to enter into that controversy. But on the question of banks: when the Voluntary Retirement Scheme is offered and employees are availing of it, that also becomes a reason for grouse. I am sure, banks would be able to serve the customers better with a leaner organisation and that is exactly what is being attempted. If it results in an imbalance in the staffing of individual branches, then, naturally, the concerned bank itself will ensure, by redeploying the staff, that the branch work doesn't suffer, exactly as it should be done. That is one of the advantages that is accruing to the country because of competition and other types of institutions entering each sector, including the banking sector.

SHRI DIPANKAR MUKHERJEE: Sir, I am not an economist. But I have the heart. Ours is such a capital-starved country. Whatever capital you use should be utilised for creating productive assets. I have the figures which have been given on 30th July by the Minister of Industry. In public sector enterprises, till now, Rs. 5960 crores has been given for voluntary retirement, separation. For banks,

I have the figures. It is about Rs. 6800 crores. Rs. 15,000 crores of capital has been given out in VRS. Out of that, I would like to know, in socio-economic terms, what productive assets have been created. For example, with this money—I have a rough idea—expenditure on one lakh primary schools, five lakh teachers, five crores of those who cannot get education can be met. That is on the education side. If you take power plants, expenditure to create 3000 mw or seven per cent shortage can be met. Has any socio-economic study by socio-economists been done? What productive assets have been created out of this capital investment of Rs. 11,000 crores? How many employment opportunities, in concrete terms, have been created? If he cannot give the reply, let him say so. But no lecturing. I have given the figures. I want the reply in figures. How many employment opportunities have been created? नंबर में एक, दो, तीन, पांच हजार, छः हजार, शब्दों में नहीं, मैं शब्दों से नहीं, आंकड़ों में बता रहा हूं, 12 हजार करोड़ रुपया इस हिन्दुस्तान का पैसा वॉलेंटरी रिटायरमेंट में गया है। What capital assets have been created out of this? This is my specific question.

SHRI ARUN SHOURIE: Sir, I entirely agree with the hon. Member about the need to use governmental expenditure for creating productive assets. I have brought to your attention earlier also a report of the Comptroller and Auditor-General about the expenditure pattern in one State, a State with which the hon. Member is very familiar with, that 95 per cent of the total expenditure of that State is going for current expenditure. I agree with him...*(Interruptions)*.

SHRI DIPANKAR MUKHERJEE: This is not the answer to my question. *(Interruptions)*. He wants politics against humanities. *(Intrruptions)*.

SHRI NILOTPAL BASU: This is what we protest against. He is using a diversionary method. *(Interruption)*. Let him also come out with the CAG report. *(Interruptions)*.

SHRI DIPANKAR MUKHERJEE: I want a reply from the Minister. *(Interruptions)*.

SHRI NILOTPAL BASU: So petty!

SHRI DIPANKAR MUKHERJEE: I want the Prime Minister to intervene. *(Interruptions)*. What is this? *(Interruptions)*.

SHRI NILOTPAL BASU: It is very, very petty. *(Interruptions)*.

SHRI ARUN SHOURIE: ....Sir, I have not even named the State. They have become agitated. *(Interruptions)*.

MR. CHAIRMAN: Let the Minister reply. *(Interruptions)*.

SHRI ARUN SHOURIE: Sir, the VRS fund is not meant for creating capital assets. It is meant for enabling that particular unit or enterprise to function productively and create assets in the future. It is not meant to create assets by itself. This type of confusion has been deliberately created. *(Interruptions)*.

SHRI DIPANKAR MUKHERJEE: Sir, I need your protection. My question will remain. Am I, by putting this question, creating confusion? I want a direction from you, Sir. He says I am creating confusion by putting this question. I seek your protection. Please see the record. If your direction is that by putting this question, I am creating confusion, I will withdraw my question. Otherwise, he has to reply to this question next week. He cannot get away. Please direct him to reply to my question next week or ask me to withdraw my question. I am prepared. Either he has to reply to this question again next week or I will withdraw my question, as you direct, Sir. *(Interruptions)*. As a Minister, he cannot talk like this. I will not leave this matter. I want a reply to my supplementary.

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO STARRED QUESTIONS

Foreign visits

*163 PROF. RAM DEO BHANDARY:
SHRI SANJAY NIRUPAM:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether it is a fact that he has visited a number of foreign countries during the last two years;

(b) if so, the details of the foreign countries visited; and